VZCZCXRO8561 OO RUEHFK RUEHKSO RUEHNH DE RUEHKO #0283/01 0350900 ZNY CCCCC ZZH O 040900Z FEB 08 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC IMMEDIATE 1477 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 1481 RUEHMO/AMEMBASSY MOSCOW PRIORITY 2105 RUEHUL/AMEMBASSY SEOUL PRIORITY 7544 RUEHFK/AMCONSUL FUKUOKA PRIORITY 5887 RUEHNH/AMCONSUL NAHA PRIORITY 8283 RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 9554 RUEHKSO/AMCONSUL SAPPORO PRIORITY 6495 RUEHSH/AMCONSUL SHENYANG PRIORITY 0586 RHMFISS/USFJ PRIORITY RHEHAAA/NSC WASHDC PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHMFISS/COMUSKOREA SEOUL KOR PRIORITY RUCNDT/USMISSION USUN NEW YORK PRIORITY 8179 RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 000283

SIPDIS

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E.O. 12958: DECL: 02/04/2018

TAGS: PREL PGOV JA KN

SUBJECT: DPRK-AFFILIATED CHOSEN SOREN FACING "CRISIS" IN

JAPAN

REF: A. 07 TOKYO 05020

¶B. 07 NAGOYA 00013

1C. 07 OASAKA KOBE 00056

1D. 07 TOKYO 01004

Classified By: Ambassador J. Thomas Schieffer. Reasons 1.4 (B) (D)

11. (C) Summary. The DPRK-backed Chosen Soren faces a "crisis," with its income-generating network of financial institutions and schools showing cracks, contacts tell Embassy Tokyo. CS membership continues to decline and rank-and-file members provide less support for Pyongyang-backed political causes. However, social ties remain viable, with members participating in wedding and funeral ceremonies. Membership is unlikely to rebound, even if the DPRK normalizes relations with the United States or Japan. On January 8, the Osaka District Court authorized the sale of Chosen Soren's Osaka headquarters building to a Tokyo-based hotel chain for payment of debts. End Summary.

## Osaka Building Foreclosed

- 12. (C) Tokyo's legal actions against the DPRK-backed Chosen Soren (CS) organization in Japan continue to spur on the demise of the organization, sources tell Embassy Tokyo political officers. On January 8, the press reported that the Osaka District Court had approved the purchase by a Tokyo-based hotel chain of Chosen Soren's headquarters building, which had been placed on the auction block for back debt. The total acquisition price was reportedly 600 million yen (approximately USD 6 million). The Osaka Chosen Kaikan building, which served as the CS home for nearly 40 years, had been owned by a DPRK-related company that went bankrupt in June 2007, according to one Osaka media outlet.
- 13. (C) The Osaka court action mirrors similar steps taken by the Tokyo High Court, which seized CS's downtown headquarters in order to collect approximately USD 500 million in bad loans owed to a quasi-governmental finance company (Ref A). Japan also removed CS's tax-exempt status, an action that has forced the closure of many CS-affiliated schools. Those actions led to DPRK government-initiated protests in Tokyo,

Kobe, and Nagoya in March 2007 (Refs B, C, D).

Chosen Soren in Crisis

14. (C) Keio University Professor Atsuhito Isozaki, a leading DPRK analyst, told Embassy Tokyo on January 31 that Chosen Soren "is in crisis," and that the group has neither "money nor centripetal force." According to Isozaki, CS relies on a network of financial institutions and schools to generate income. However, scores of ethnic Koreans withdrew from CS after 2002 following North Korean leader Kim Jong-il's admission that the DPRK had abducted Japanese nationals during the 1970-80's. As a result, the CS-created Chogin Bank has failed and fewer students are enrolled in CS schools, Isozaki maintained.

Social Ties Remain

- 15. (C) On January 25, Rescue The North Korean People Urgent Action Network (RENK) leader Koh Young-ki told the Embassy that many members have left Chosen Soren, and that the group,s once strong financial and ideological networks have weakened.
- 16. (C) Koh observed that CS social ties remain viable, with members continuing to participate in wedding and funeral ceremonies. He said that CS social connections are built among graduates of North Korean schools in Japan, in which many members attended school from kindergarten through high

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school and university. However, CS membership continues to decline and rank-and-file members provide less financial support for Pyongyang. According to Koh, "North Koreans in Japan cannot deny the DPRK's real situation and don't want to be involved with the DPRK anymore." Others hope to maintain the social cohesion CS provides ethnic North Koreans in Japan, but shun any association with the Kim Jong-il regime.

17. (C) Koh predicted, however, that while Chosen Soren will not disappear, membership would not increase even if the DPRK normalizes relations with the United States or Japan. Many North Koreans find it an easy matter to change nationality and to naturalize in South Korea, and few view such actions as betrayal, he added. While participants in non-political CS events may attract several thousand people, Koh said that the politically-motivated events draw significantly fewer participants. (Note: While Koh has strong and tendentious anti-DPRK views, they are nevertheless substantiated by numerous Tokyo and Osaka-based observers.) SCHIEFFER